

Internal Service Funds

Internal Service Funds

Internal Service Funds account for the operations of State agencies that render services to other State agencies, institutions, or other governmental units of the Commonwealth on a cost-reimbursement basis.

Department of Information Technology accounts for the installation and maintenance of the State government's telephone system; the development, use and maintenance of the Commonwealth's data processing systems; and the development of automated systems.

Virginia Correctional Enterprises accounts for the manufacturing activities of the State's correctional facilities.

Health Care accounts for the health insurance programs provided to State employees.

Fleet Management accounts for the Commonwealth's motor vehicle pool.

Maintenance and Repair accounts for services outside the scope of normal maintenance or custodial services provided to agencies by the Bureau of Facilities Management.

Virginia Distribution Center accounts for supplies purchased for and used by State agencies.

Risk Management accounts for the insurance programs provided to State agencies and institutions.

Consolidated Laboratory (*formerly included in Other*) accounts for the Commonwealth's water testing services.

Federal Surplus Property (*formerly included in Other*) accounts for the transfer and sale of Federally-owned surplus property.

State Surplus Property (*formerly included in Other*) accounts for the transfer and sale of State-owned surplus property.

Graphic Communications (*formerly included in Other*) accounts for the Commonwealth's graphic design division.

Property Disposal accounts for the disposal of State-owned property.

Combining Statement of Net Assets – Internal Service Funds

June 30, 2002

(Dollars in Thousands)

	Department of Information Technology	Virginia Correctional Enterprises	Health Care	Division of Fleet Management	Maintenance and Repair
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 3,813	\$ 5,357	\$ 39,055	\$ 2,111	\$ 4,099
Investments	-	-	3,246	-	-
Receivables, Net	2,946	1,482	13,915	164	145
Due From Other Funds	17,152	3,958	12,148	749	532
Inventory	-	9,583	-	35	249
Prepaid Items	2,735	-	-	-	-
Other Assets	8	3	-	-	-
Total Current Assets	26,654	20,383	68,364	3,059	5,025
Noncurrent Assets:					
Prepaid Items	-	-	840	-	-
Nondepreciable Capital Assets	-	-	-	-	-
Depreciable Capital Assets, Net	24,305	5,348	-	30,549	912
Total Noncurrent Assets	24,305	5,348	840	30,549	912
Total Assets	50,959	25,731	69,204	33,608	5,937
Liabilities					
Current Liabilities:					
Accounts Payable	6,653	1,315	4,441	1,024	1,547
Amounts Due to Other Governments	1,271	1,293	-	624	984
Due to Other Funds	195	46	-	-	-
Interfund Payable	-	-	-	-	-
Deferred Revenue and Deferred Credit	155	51	-	-	1,841
Claims Payable	-	-	79,608	-	-
Obligations Under Securities Lending Program	-	-	3,568	-	-
Other Liabilities	1,251	-	-	-	-
Long-Term Liabilities Due within One Year	4,190	239	-	62	510
Total Current Liabilities	13,715	2,944	87,617	1,710	4,882
Noncurrent Liabilities:					
Interfund Payable	-	-	-	-	-
Claims Payable	-	-	-	-	-
Long-Term Liabilities Due in More Than One Year	12,885	2,611	-	169	1,158
Total Noncurrent Liabilities	12,885	2,611	-	169	1,158
Total Liabilities	26,600	5,555	87,617	1,879	6,040
Net Assets					
Invested in Capital Assets, Net of					
Related Debt	12,150	3,886	-	30,549	626
Unrestricted	12,209	16,290	(18,413)	1,180	(729)
Total Net Assets	\$ 24,359	\$ 20,176	\$ (18,413)	\$ 31,729	\$ (103)

Virginia Distribution Center	Risk Management	Consolidated Lab	Federal Surplus Property	State Surplus Property	Graphics	Property Disposal	Total
\$ 941	\$ 86,137	\$ 220	\$ 354	\$ 361	\$ 114	\$ 134	\$ 142,696
78	6,612	-	-	-	-	-	9,936
633	97	2	63	14	28	-	19,489
679	600	15	15	1	20	-	35,869
3,476	-	21	89	-	-	-	13,453
-	-	-	-	-	-	-	2,735
-	1,300	-	1	1	-	-	1,313
5,807	94,746	258	522	377	162	134	225,491
-	-	-	-	-	-	-	840
-	-	-	150	-	-	-	150
12,281	-	532	168	8	-	-	74,103
12,281	-	532	318	8	-	-	75,093
18,088	94,746	790	840	385	162	134	300,584
803	1,233	72	158	23	16	40	17,325
-	-	-	-	-	-	-	4,172
-	-	-	-	-	-	-	241
1,098	-	-	-	-	-	-	1,098
-	25,341	-	-	-	30	-	27,418
-	63,109	-	-	-	-	-	142,717
86	7,266	-	-	-	-	-	10,920
-	-	-	-	-	-	-	1,251
63	62	87	38	14	13	-	5,278
2,050	97,011	159	196	37	59	40	210,420
8,785	-	-	-	-	-	-	8,785
-	115,219	-	-	-	-	-	115,219
120	152	211	85	28	44	-	17,463
8,905	115,371	211	85	28	44	-	141,467
10,955	212,382	370	281	65	103	40	351,887
2,398	-	532	318	8	-	-	50,467
4,735	(117,636)	(112)	241	312	59	94	(101,770)
\$ 7,133	\$ (117,636)	\$ 420	\$ 559	\$ 320	\$ 59	\$ 94	\$ (51,303)

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets –
Internal Service Funds**

For the Fiscal Year Ended June 30, 2002
(Dollars in Thousands)

	Department of Information Technology	Virginia Correctional Enterprises	Health Care	Division of Fleet Management	Maintenance and Repair
Operating Revenues:					
Charges for Sales and Services	\$ 111,739	\$ 35,404	\$ 530,675	\$ 13,235	\$ 24,553
Other	-	-	27	-	-
Total Operating Revenues	111,739	35,404	530,702	13,235	24,553
Operating Expenses:					
Cost of Sales and Services	-	27,250	-	-	-
Prizes and Claims	-	-	536,562	-	-
Personal Services	26,579	3,312	-	879	8,105
Contractual Services	59,263	2,269	32,666	1,587	5,259
Supplies and Materials	417	500	-	1,869	2,290
Depreciation and Amortization	7,188	1,258	-	7,160	169
Rent, Insurance, and Other Related Charges	8,229	201	-	128	7,076
Interest Expense	-	-	-	-	-
Other	1,465	383	-	22	2,017
Total Operating Expenses	103,141	35,173	569,228	11,645	24,916
Operating Income (Loss)	8,598	231	(38,526)	1,590	(363)
Nonoperating Revenues (Expenses):					
Interest, Dividends, Rents, and Other Investment Income	(180)	(303)	3,626	-	-
Other	(3,782)	167	(232)	(164)	-
Total Nonoperating Revenues (Expenses)	(3,962)	(136)	3,394	(164)	-
Income (Loss) Before Transfers	4,636	95	(35,132)	1,426	(363)
Operating Transfers In	-	-	-	-	225
Operating Transfers Out	(687)	(1,203)	-	-	(314)
Change in Net Assets	3,949	(1,108)	(35,132)	1,426	(452)
Total Net Assets, July 1, as restated	20,410	21,284	16,719	30,303	349
Total Net Assets (Deficit), June 30	\$ 24,359	\$ 20,176	\$ (18,413)	\$ 31,729	\$ (103)

Virginia Distribution Center	Risk Management	Consolidated Lab	Federal Surplus Property	State Surplus Property	Graphics	Property Disposal	Total
\$ 31,906	\$ 55,580	\$ 1,845	\$ 1,255	\$ 1,021	\$ 372	\$ 6	\$ 807,591
-	-	-	-	-	-	-	27
31,906	55,580	1,845	1,255	1,021	372	6	807,618
28,354	-	-	-	-	-	-	55,604
-	50,017	-	-	-	-	-	586,579
1,213	1,114	1,281	321	250	274	-	43,328
1,767	-	132	89	407	67	1	103,507
71	-	244	740	12	5	-	6,148
613	-	130	11	11	-	-	16,540
418	9,235	285	135	228	42	-	25,977
454	-	-	-	-	-	-	454
26	198	7	4	1	1	-	4,124
32,916	60,564	2,079	1,300	909	389	1	842,261
(1,010)	(4,984)	(234)	(45)	112	(17)	5	(34,643)
4	3,836	-	-	-	-	-	6,983
929	(253)	(17)	(1)	(5)	-	-	(3,358)
933	3,583	(17)	(1)	(5)	-	-	3,625
(77)	(1,401)	(251)	(46)	107	(17)	5	(31,018)
-	-	252	-	-	-	-	477
-	(29)	-	-	-	-	-	(2,233)
(77)	(1,430)	1	(46)	107	(17)	5	(32,774)
7,210	(116,206)	419	605	213	76	89	(18,529)
\$ 7,133	\$ (117,636)	\$ 420	\$ 559	\$ 320	\$ 59	\$ 94	\$ (51,303)

Combining Statement of Cash Flows – Internal Service Funds

For the Fiscal Year Ended June 30, 2002
(Dollars in Thousands)

	Department of Information Technology	Virginia Correctional Enterprises	Health Care	Division of Fleet Management
Cash Flows from Operating Activities:				
Receipts for Sales and Services	\$ 3,706	\$ 11,468	\$ 94,384	\$ -
Internal Activity-Receipts from Other Funds	102,912	21,363	434,289	13,287
Internal Activity-Payments to Other Funds	(1,940)	(2,514)	-	-
Payments to Suppliers for Goods and Services	(7,647)	(17,646)	-	(1,571)
Payments for Prizes, Claims, and Loss Control	-	-	(531,840)	-
Payments to Employees	(26,195)	(8,461)	-	(855)
Other Operating Revenue	1	-	-	-
Other Operating Expense	(68,525)	(3,128)	(33,558)	(820)
Net Cash Provided by (Used for) Operating Activities	2,312	1,082	(36,725)	10,041
Cash Flows from Noncapital Financing Activities:				
Transfers In From Other Funds	-	-	-	-
Transfers Out to Other Funds	(687)	(1,203)	-	-
Other Noncapital Financing Receipt Activities	-	229	-	-
Other Noncapital Financing Disbursement Activities	-	-	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(687)	(974)	-	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(3,236)	(1,719)	-	(10,242)
Payment of Principal and Interest on Bonds and Notes	(4,804)	(593)	-	-
Proceeds from Sale of Capital Assets	23	-	-	615
Other Capital and Related Financing Receipt Activities	-	-	-	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	(8,017)	(2,312)	-	(9,627)
Cash Flows from Investing Activities:				
Investment Income on Cash, Cash Equivalents, and Investments	-	-	3,715	-
Net Cash Provided by (Used for) Investing Activities	-	-	3,715	-
Net Increase (Decrease) in Cash and Cash Equivalents	(6,392)	(2,204)	(33,010)	414
Cash and Cash Equivalents, July 1, as restated	10,213	7,564	72,065	1,697
Cash and Cash Equivalents, June 30	\$ 3,821	\$ 5,360	\$ 39,055	\$ 2,111
Reconciliation of Cash and Cash Equivalents:				
Per the Statement of Net Assets:				
Cash and Cash Equivalents	\$ 3,813	\$ 5,357	\$ 39,055	\$ 2,111
Cash and Travel Advances	8	3	-	-
Cash and Cash Equivalents per the Statement of Cash Flows	\$ 3,821	\$ 5,360	\$ 39,055	\$ 2,111

Maintenance and Repair	Virginia Distribution Center	Risk Management	Consolidated Lab	Federal Surplus Property	State Surplus Property	Graphics	Property Disposal	Total
\$ 32	\$ 5,269	\$ -	\$ -	\$ 287	\$ 136	\$ -	\$ -	\$ 115,282
26,171	26,742	61,008	1,833	961	881	401	6	689,854
-	-	-	-	-	-	-	-	(4,454)
(24,348)	(29,383)	(18,157)	(539)	(865)	(239)	(49)	-	(100,444)
-	-	(43,072)	-	-	-	-	-	(574,912)
-	(1,197)	(1,092)	(1,364)	(325)	(262)	(264)	-	(40,015)
-	-	-	-	-	-	-	-	1
-	(1,741)	-	(119)	(84)	(405)	(67)	(1)	(108,448)
1,855	(310)	(1,313)	(189)	(26)	111	21	5	(23,136)
225	-	-	252	-	-	-	-	477
(314)	-	(21)	-	-	-	-	-	(2,225)
-	2	-	-	-	-	-	-	231
(201)	(13)	-	-	-	-	-	-	(214)
(290)	(11)	(21)	252	-	-	-	-	(1,731)
-	(2,148)	-	(56)	-	-	-	-	(17,401)
-	-	-	-	-	-	-	-	(5,397)
-	1,256	-	-	-	-	-	-	1,894
-	-	-	-	-	1	-	-	1
-	(892)	-	(56)	-	1	-	-	(20,903)
-	8	3,918	-	-	-	-	-	7,641
-	8	3,918	-	-	-	-	-	7,641
1,565	(1,205)	2,584	7	(26)	112	21	5	(38,129)
2,534	2,146	84,853	213	381	250	93	129	182,138
\$ 4,099	\$ 941	\$ 87,437	\$ 220	\$ 355	\$ 362	\$ 114	\$ 134	\$ 144,009
\$ 4,099	\$ 941	\$ 86,137	\$ 220	\$ 354	\$ 361	\$ 114	\$ 134	\$ 142,696
-	-	1,300	-	1	1	-	-	1,313
\$ 4,099	\$ 941	\$ 87,437	\$ 220	\$ 355	\$ 362	\$ 114	\$ 134	\$ 144,009

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Combining Statement of Cash Flows – Internal Service Funds (Continued from previous page)

For the Fiscal Year Ended June 30, 2002
(Dollars in Thousands)

	Department of Information Technology	Virginia Correctional Enterprises	Health Care	Division of Fleet Management
Reconciliation of Operating Income				
To Net Cash Provided by (Used for)				
Operating Activities:				
Operating Income (Loss)	\$ 8,598	\$ 231	\$ (38,526)	\$ 1,590
Adjustments to Reconcile Operating				
Income to Net Cash Provided by (Used for)				
Operating Activities:				
Depreciation and Amortization	7,188	1,258	-	7,160
Miscellaneous Nonoperating Income	1	-	-	-
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(5,232)	(2,239)	(2,029)	49
(Increase) Decrease in Due From Other Funds	-	-	-	-
(Increase) Decrease in Inventory	-	874	-	(35)
(Increase) Decrease in Prepaid Items	(723)	-	-	-
Increase (Decrease) in Accounts Payable	(9,287)	(127)	(1,734)	631
Increase (Decrease) in Amounts Due to Other Governments	-	1,293	-	624
Increase (Decrease) in Claims Payable	-	-	5,564	-
Increase (Decrease) in Interfund Payable	-	-	-	-
Increase (Decrease) in Deferred Revenue	113	(339)	-	-
Increase (Decrease) in Other Liabilities	1,251	-	-	-
Increase (Decrease) in Long-Term Liabilities: Due within One Year	(36)	-	-	62
Increase (Decrease) in Long-Term Liabilities: Due in More Than One Year	439	131	-	(40)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 2,312</u>	<u>\$ 1,082</u>	<u>\$ (36,725)</u>	<u>\$ 10,041</u>
Noncash Investing, Capital, and Financing Activities:				
The following transactions occurred prior to the statement of net assets date:				
Installment Purchases Used to Finance Capital Assets	\$ 12,534	\$ -	\$ -	\$ -
Capital Asset Addition Included in Accounts Payable	-	(59)	-	-
Total Noncash, Investing, Capital, and Financing Activities	<u>\$ 12,534</u>	<u>\$ (59)</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Maintenance and Repair</u>	<u>Virginia Distribution Center</u>	<u>Risk Management</u>	<u>Consolidated Lab</u>	<u>Federal Surplus Property</u>	<u>State Surplus Property</u>	<u>Graphics</u>	<u>Property Disposal</u>	<u>Total</u>
\$ (363)	\$ (1,010)	\$ (4,984)	\$ (234)	\$ (45)	\$ 112	\$ (17)	\$ 5	\$ (34,643)
169	613	-	130	11	11	-	-	16,540
-	-	-	-	-	-	-	-	1
(267)	110	125	(12)	(2)	(4)	(1)	-	(9,502)
-	-	400	-	-	-	-	-	400
28	557	-	(3)	(43)	-	-	-	1,378
-	-	-	-	-	-	-	-	(723)
73	(1,725)	(1,457)	(45)	56	(4)	-	-	(13,619)
235	-	-	-	-	-	-	-	2,152
-	-	(2,107)	-	-	-	-	-	3,457
-	1,098	-	-	-	-	-	-	1,098
1,840	-	6,609	-	-	-	30	-	8,253
-	-	-	-	-	-	-	-	1,251
(25)	(2)	62	(22)	-	(6)	-	-	33
165	49	39	(3)	(3)	2	9	-	788
<u>\$ 1,855</u>	<u>\$ (310)</u>	<u>\$ (1,313)</u>	<u>\$ (189)</u>	<u>\$ (26)</u>	<u>\$ 111</u>	<u>\$ 21</u>	<u>\$ 5</u>	<u>\$ (23,136)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,534
-	-	-	-	-	-	-	-	(59)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,475</u>

Fiduciary Funds

Private Purpose Funds

Private Purpose Funds are trust arrangements that benefit individuals, private organizations, or other governments.

Unclaimed Property accounts for unclaimed and escheat property.

Virginia College Savings Plan accounts for the Virginia Education Savings Trust and College America, which are voluntary, non-guaranteed, higher educational investment programs.

Loan Servicing Reserve accounts for funds that are used to meet the provisions of the Declarations of the dissolved Virginia Education Loan Authority.

Edvantage Reserve accounts for funds that are used to meet the provisions of the dissolved Student Education Assistance Authority.

Virginia Revolving Farm Loan accounts for trust funds that are used for rural rehabilitation purposes.

Miscellaneous Trust Funds account for perpetual trusts created through donation to the state. Earnings are used for the benefit of donor-specified local entities.

Pension Trust Funds

Pension Trust Funds reflect the activities of the retirement systems and postemployment benefits administered by the Virginia Retirement System (VRS) for the Commonwealth.

The Virginia Retirement System provides retirement benefits to Commonwealth employees and teachers.

The State Police Officers' Retirement System provides retirement benefits to Virginia state police officers.

The Judicial Retirement System provides retirement benefits to the Commonwealth's judiciary.

The Virginia Law Officers' Retirement System provides retirement benefits to correctional officers, capital police officers, university police officers, and game wardens.

Political Appointees provides optional retirement benefits to selected officials and administrative staff.

Other Employment Retiree Health Insurance Credit Fund accounts for the State provided health insurance credits which offset a portion of the retirees' monthly insurance premiums.

Other Employment Group Life Fund provides life insurance coverage to members of the retirement systems.

Other Employment Virginia Sickness and Disability provides income protection to State employees for absences caused by sickness or disability.

Other Employment Volunteer Firefighters' and Rescue Squad Workers' Fund provides optional retirement benefits to volunteer firefighters and rescue squad workers.

Investment Trust Funds

Investment Trust Funds reflect the external portions of the investment pools sponsored by the Commonwealth.

Local Government Investment Pool (LGIP) helps local governmental entities maximize their rate of return by commingling their resources for investment purposes.

State Non-Arbitrage Pool (SNAP) provides investment vehicles for local governmental entities to invest bond proceeds to ensure compliance with the Internal Revenue Code of 1986, as amended.

SNAP Individual Investment Accounts represent the aggregate activity of SNAP accounts which are established for specific local governmental entities.